

EXECUTIVE DIRECTOR'S MONTHLY REPORT

APRIL 2007

Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

I. Improve the efficiency and accountability of management within the organization

- Continuous Improvement

The Values Statement was postponed one month to include further discussion with the whole management team prior to rolling out to the staff. The statement will be finalized at the April Staff Meeting. The four project chartering teams efforts have resulted in the final team charters that will define their work moving forward. The SLT will guide their work in the coming months. Recommendations from Managers on performance measures for each Division will be completed by April 30th.

- Best Practices Review

Of the original 257 Best Practices recommendations, only 15 have not been put into effect. Several of these remaining recommendations will not be adopted, either because they are no longer necessary, there are not sufficient resources available or because their adoption is no longer required by law.

We have started a program to address the remaining recommendations and also evaluate the effectiveness of those already put into place. Concurrently, new recommendations or enhancements of the prior recommendations are being evaluated. At the June meeting of the Audit Committee, we plan to update our progress regarding Best Practices implementation and identify specific practices and procedures that we will be updating, replacing or adding.

II. Provide support to the Regional Council in providing direction and leadership to SCAG

- On March 1st I met with Councilmembers Greig Smith and Alan Wapner, Gerry Miller, Chief Legislative Analyst, City of Los Angeles and Greg Deveraux, City Manager, Ontario regarding Maglev, and Ty Schuiling, SANBAG, concerning the formation of the JPA to implement a High Speed System from Los Angeles to Ontario, with a possible extension to San Bernardino. Agreement on Board Structure was developed and will be forwarded to cities for approval.
- On March 7th I and Richard Marcus met with John Wohlmuth, Executive Director, CVAG, Allyn Waggle, Deputy Executive Director, and William Kleindienst on high-speed ground transportation in Coachella Valley. We discussed possible implementation strategies for an extension into the Valley.
- On March 16th I participated in the kick-off meeting of the (TCIF) Trade Corridor Improvement Fund Work Group at Caltrans Gateway Oaks office in Sacramento. The intent of that meeting was to review current goods movement policy efforts and to establish some baseline guiding principles for the development of criteria and guidelines for the TCIF program. The schedule and next steps were also discussed. I presented the Southern California Goods Movement Action Plan, Gary Gallegos presented the San Diego Border Goods Movement Plan and Barry Sedlik presented Business, Transportation & Housing Agency's Goods Movement Action Plan. The discussion at the meeting indicated that our region has a lot of educating to do if we are to receive our fair share.

- On March 19th – 20th, I participated in an AASHTO Metro Mobility and Congestion Panel in Washington, D.C. The mission of the panel is to define a vision for the Reauthorization of the Surface Transportation Act. I will brief the Regional Council on the results of the panel.
- On March 22nd – 23rd, I was a presenter at the California Foundation on the Environment and the Economy's (CFEE) Public Private Partnership Conference in NAPA. Twenty-two legislators, the Secretary of BT&H, and the Governor's office participated. The session identified obstacles to extending the authority for public/private partnerships and possible strategies for overcoming these obstacles.
- On March 26th and 27th, I attended some of the activities at the Los Angeles Chamber Access Advocacy Washington, D.C. trip. Senator Diane Feinstein noted her support for the MOU on the environmental work for Goods Movement and that she was writing the Governor asking him to sign the MOU.
- On March 26th I was presented the National Public Service Award in Washington, D.C. at the National Public Service Awards Luncheon at the American Society for Public Administration Conference.
- In March, the Member Relations team has facilitated outreach presentations on the 2006 State of the Region in the Coachella Valley given by Regional Councilmember Greg Pettis. District elections were held throughout the SCAG region with many RC members returning and a few new members joining us. Member Relations staff attended numerous subregional, transportation commission and city manager meeting. Bev Perry, met with subregional coordinators and transportation commission staff throughout the region, as well as the Regional Managers from the League of California Cities to discuss how SCAG can forge closer relationships with our regional partners. Additionally, staff was in attendance at the League's policy committees in Ontario on March 29th and 30th.

We have made contact with several cities regarding membership in SCAG. The City of Westminster has agreed to join and is working on signing the JPA with SCAG.

On April 5th I will give a presentation on Benefits of SCAG Membership to San Jacinto City Council.

- SCAG Regional Leadership Academy. SCAG launched its brand new Leadership Academy program with a two-day session, March 16th and 17th, at the University of Southern California. This program is designed to offer a fresh new approach aimed at enhancing current leadership skills and expertise and is being conducted by an enthusiastic and experienced team from USC. There are 13 Regional Council members participating in this inaugural program. Initial reaction by attendees has been extremely positive. There will be three additional sessions in this year's program which will culminate in mid-June.
- Congratulations to the Hon. Dennis Washburn, Calabasas Councilmember and Member of SCAG's Regional Council and Chair of the Energy and Environment Committee and Water Policy Task Force, who has been honored for his Environmental Leadership by the USEPA (Regional IX). This award is made annually to recognize individuals and organizations who are working successfully to protect public health and preserve our natural environment. Dennis has earned this leadership recognition not only by his participation in local and regional government, but also as a Director and past President of the Resource Conservation District of the Santa Monica Mountains, Chair of the Malibu Creek Watershed Council, Commissioner of the Santa Monica Bay Restoration Commission, Chair of the Santa Monica Mountains Fund, Trustee of the Conejo-Las Virgenes Future Foundation, and a founder of the Calabasas and Mountains Restoration Trust.

- On March 30th, I attended the Governor's Press Conference on water availability. I also met with Les Snow, Department of Water Resources, on watershed planning.

III. SCAG Operations

- Personnel. The recruitment efforts for the Director of Government and Public Affairs and the Chief Legal Counsel will start in April. The process was delayed one month due to executing the final contracts with the three pre-qualified search firms. We anticipate filling the positions by July. Recruitment continues for many staff positions.
- Training and Development/Professional Pathways. The first meeting of the SCAG Toastmasters Club is on April 19th. There are 33 confirmed staff members participating. This is the first SCAG Toastmasters Club and staff are excited about the opportunity to develop their communication and leadership skills.

An off-site class for introduction to supervision/refresher was offered to all staff. A total of fifteen employees registered for the one day off site class. Additionally, the in-house Leadership/Supervisory/Management training series is offering classes on Change Management and Conflict Resolution in May. Agenda process/preparation training is being provided by Business Operations staff and is well attended and well received. Speech Communication and SAP training are ongoing. The wellness theme for April is the War on Weight. The new SCAG walking club has been meeting every Tuesday and Thursday at lunchtime for those who are interested.

IV. Implement Adopted Regional Plans

- Corridor Mobility Improvement Account (CMIA). The CTC took action on February 28, 2007 to allocate all \$4.5 billion of the CMIA program. The SCAG region received approximately one-half of these funds for several critical projects including completion of the HOV on I-405 between I-10 and US 101, completion of the HOVB on I-5 between I-605 and the Orange County line, the HOV connector on route 22/405 and 405/605 and HOV lanes on SR 91 in Riverside County. This CTC action has several implications to SCAG's adopted 2004 RTP, either by funding new projects that are not currently in the RTP, or by revising existing projects in the RTP. Accordingly, SCAG has initiated an RTP Amendment to incorporate the CMIA program into the regional modeling and emissions analysis and the financial plan, for conformity. This RTP Amendment must be adopted before the July 1, 2007 deadline for SAFETEA-LU compliance in order to allow the CMIA projects to proceed towards implementation.

Additionally, SCAG has worked with the CTC to insert language into article 2.5 of the adopting resolution to clarify that the CTC will work with Caltrans to identify funding from other programs, such as the Trade Corridor Improvement Fund, for the Brawley Bypass in Imperial County. This project was left out of the discussion in the original adopting resolution.

- RTIP Gap Analysis. Federal legislation requires the Regional Transportation Improvement Program (RTIP) to be compliant with SAFETEA-LU by July 1, 2007. If the RTIP is not SAFETEA-LU compliant by July 1, 2007, SCAG will be prohibited from processing amendments to the RTIP which will lead to undue project delay and potential additional costs to projects. To address this situation, SCAG staff has produced an RTIP Gap Analysis document. The RTIP Gap Analysis discusses the actions SCAG will take to ensure that the RTIP is SAFETEA-LU compliant. The TCC approved the release of the RTIP Gap Analysis for a thirty day public review which ends on March 30, 2007. As of this writing, SCAG has received no public comments to the RTIP Gap Analysis. SCAG staff will bring the RTIP Gap Analysis to the Regional Council for approval at their April 5, 2007 meeting. After Regional Council approval has occurred, SCAG will submit the RTIP Gap Analysis to FHWA/FTA for their review and approval.

V. Develop Additional Planning Efforts

- Air Quality. As has been discussed and previously reported, there is a disagreement between South Coast AQMD and CARB regarding the PM2.5 portion of the South Coast air plan. Submittal of the PM2.5 SIP is not required until April 2008, yet is being submitted by the SCAQMD along with the eight-hour ozone plan to CARB to meet the June 2007 ozone plan submittal date. SCAQMD believes that the most efficient path to clean air is an integrated PM2.5 and ozone plan, and that achieving the PM2.5 standard requires an immediate commitment of resources for rule development, public and private funding, and technology deployment. Further, according to CARB's own data and studies, the population-weighted exposure to concentrations of PM2.5 above the federal standard for residents of the South Coast Air Basin is an astonishing 82% of the state-wide exposure and 52% of the national exposure. This exposure translates on an annual basis to 5,400 premature deaths, 2,400 hospitalizations, 140,000 asthma and lower respiratory symptoms, and 980,000 lost work days. Nevertheless, CARB considers the technical challenges of developing a credible PM2.5 attainment strategy as requiring additional time, and seeks to take the time allowed by law to prepare the PM2.5 plan. In an effort to achieve the PM2.5 standard, SCAQMD staff proposed for CARB's consideration a number of complementary or revised mobile source control measures that are more aggressive than those proposed by CARB. However, CARB staffs' position is that implementing more stringent or more measures to meet attainment by 2015 are either technically not feasible or economically not viable and, without consulting partner agencies, recently sent a letter to U.S. EPA requesting a five-year extension to meet the PM2.5 standard. This letter has recently been withdrawn. I have expressed to the CARB Executive Officer that SCAG supports the SCAQMD in their effort to ensure that CARB vigorously pursue all available options to achieve attainment of the PM2.5 standard by 2015, and that SCAG will develop additional measures to help meet the standard.

I attended the AQMD retreat on March 26th to present our support to the AQMD Board.

- Regional Housing Needs Assessment. The RHNA appeal and revision filing period began on February 15th and ended on March 16th. SCAG received a total of 67 requests from 48 cities as follows: 24 appeals, 5 revision requests and 19 combined appeal and revision requests. The Ventura County Council of Governments accepted delegation and will be administering the appeals process in their County. The cities of Los Angeles and San Fernando, and the South Bay Cities COG, are concluding their delegation agreements. The Draft RHNA calls for 707,000 housing units to be built between January 2006 and July 2014.

All appealing jurisdictions were sent a notification of their public appeal hearing. SCAG staff will provide recommendations to the Appeal Board. All appeal hearings will be held between April 25th and 30th. The Appeals Board is required to make final determinations on all revision requests and appeals and alternative distributions no later than May 10, 2007. Using the Appeal Board's findings, SCAG will then begin preparing the final RHNA allocation. This planning, public outreach and deliberative process follows the steps and requirements called for in SB 12. The Final Draft RHNA shall be consistent with the Integrated Growth Forecast used for SCAG transportation planning and the regional total for construction need, by income category, shall be maintained within the State HCD approved range for future construction need of between 687,000 to 737,000 units.

- Maglev Business Case. On Wednesday, March 28, 2007, my staff and I met with Mark Florian, Sara Lee, and Kathleen Brown of Goldman Sachs to discuss whether there is a business case for implementing a High Speed Rail Transport (HSRT) system. This system could potentially be financed on the basis of a combined aviation, commuter, and freight operations approach. SCAG staff and the IBI Group presented the overall HSRT system, timeframe and financial performance summary. Goldman Sachs recognized the potential for such an integrated system and indicated that they

would like to further review some of the financial modeling work to date. They emphasized the importance of really defining the critical risks involved in such a project; namely, risks associated with construction, technology, and revenues. Further, discussion about appropriate public versus private equity shares in project development was considered in the context of taking such a system to the capital markets for financing. SCAG staff anticipates further discussion with Goldman Sachs concerning this business case approach to financing the HSRT system.

- Regional Comprehensive Plan. Staff has focused on implementation of the State Infrastructure Bond Measures as a tool to incentive the upcoming Regional Comprehensive Plan. To that end, staff participated in various legislative and State agency discussions in Sacramento. At this stage, staff believes that at least some money within discretionary pots at the State Department of Housing and Community development (HCD) will be allocated based on regional "blueprint" plans, including the SCAG RCP. As such, SCAG will be hosting a workshop for City Managers, Planning Directors, and elected officials to familiarize local agencies with various funding opportunities within the bond measures, and to discuss the regional objectives included in the preliminary RCP. In the meantime, staff continues to work on each of the nine RCP chapters, building off of the approved performance outcomes. This effort will culminate in final draft chapters coming forward to the policy committees this summer.
- Energy. SCAG collaborated with Southern California Edison on a kick-off event (March 22nd) to announce a newly formed energy efficiency partnership between SCAG and Southern California Edison for the San Gabriel Valley Council of Governments. The new partnership (the San Gabriel Valley EnergyWise Program) will provide a comprehensive package of energy offerings to San Gabriel Valley local governments including technical assistance and specialized energy efficiency incentives. Councilmember Margaret Clark, Vice-Chair of the Energy and Environment Committee, represented SCAG and expressed her excitement about this innovative program. Other speakers from SCAG included Councilmember Carol Herrera (Diamond Bar), President of the San Gabriel Valley Council of Governments and Councilmember Barbara Messina (Alhambra). The cities currently enrolled in the program include West Covina and Alhambra.

The Energy Wise Program can result in city facilities saving a combined 3,000,000 kWh in annual energy use. The program is administered by SCE and will run through 2008. SCAG's Regional Council approved the partnership in April 2006.

- Forecasting. Staff started the second phase of the Transit Oriented Development (TOD) Study under the Blueprint Grant. As part of on-going collaboration, major results from the first phase of the TOD Study have been provided to the UCLA Team as input to their research. Staff have also been gathering, and evaluating small area input from various counties and is in the process of developing methodologies to produce small area distributions based on this local input. The goal is to develop detailed socio-economic data for the new transportation model. In keeping with this goal, staff has worked with Imperial County/jurisdictions and Caltrans District 11 to refine the draft integrated growth forecasts of Imperial County since the growth forecasts/RHNA workshop in November 2006. As a result of intensive collaborative efforts, staff, Imperial County/Jurisdictions, and Caltrans District 11 reached consensus on the refined growth forecasts of the Imperial County (including small areas).

7th Annual Regional Housing Summit. The theme of the next Regional Housing Summit will be Beyond Gridlock: a Housing Blueprint for Southern California. The focus of this year's Summit will be to recognize local governments who have exemplified the goals of the Compass Blueprint program in their local planning. We have started work on

preparing a Save the Date postcard for the 7th Annual Regional Housing Summit, and will soon post an on-line registration link. Beyond Gridlock: A Housing Blueprint for Southern California will be held on Thursday, May 24, 2007 at the Wilshire Grand Hotel in downtown Los Angeles from 9:00 a.m. to 2:45 p.m.. Homer Williams, LA Staples Center area and Portland Waterfront developer and civic leader has agreed to be the luncheon speaker. Program partners include: California Association of Realtors, The Building Industry Association, State Department of Housing and Community Development, the Southern California Association of Non-profit Developers and Reconnecting America/ the National Transit Oriented Development Center.

- 10th Annual Regional Economic Forecast Conference. The 10th Annual Regional Economic Forecast Conference was held on March 9th at the Ontario Convention Center. The theme of this year's conference was "The Middle Class on Life Support: Strategies for Revitalizing Southern California's Economy."

The conference was successful with approximately 200 attendees and 14 elected officials, including 5 from our Regional Council. State Senator Tom Torlakson was a guest speaker and State Senator Bob Dutton was in the audience.

There was significant press coverage from: KSPA-AM Radio, Los Angeles Times - Jeff Rabin, Inland Valley Daily Bulletin & San Bernardino Sun - Mike Rappaport, Press Enterprise - Josh Brown, Victor Valley Daily Press - Mitch Deacon, Inland Empire Business Journal - Joe Lyons, and Business Press (Press Enterprise publication) - Bob Dixon.

VI. Data & Planning Methods

- State of the Region Received the PRISM Awards. The State of the Region Report Card received the PRISM Awards issued from The Public Relations Society of America (PRSA) - Los Angeles Chapter. It received the Award of Excellence in Social Marketing/Influencer Marketing recognizing the prominent media coverage and impacts the State of the Region has generated. For the past five years, the State of the Region release has been covered each year by at least 25 newspapers and 15 TV/radio stations in Southern California and beyond. Staff sincerely appreciates the guidance and support from the Benchmarks Task Force chaired by Mayor Ron Loveridge.
- Gold Line Corridor Study Completed. Staff managed the completion of a study of the existing Gold Line Corridor conducted by an UCLA research team. The study focused on the potential and constraints of transit-oriented development (TOD) around the existing Gold Line stations. The demographic, land use and market context and the extent of recent development vary greatly across station areas. Through data analysis and interviews of developers and planners, the study identifies the major motivations for building TODs as well as tensions and challenges encountered by those involved in projects along the Gold Line Corridor. Major challenges generally fall within four categories: procedural/planning, economics/market-related, cultural/perceptual and physical/environment. The study provides recommendations to respond to the challenges.
- Continuing Effort to Establish a Regional Data Consortium. As part of the effort to establish a regional data consortium, staff conducted a meeting with the Ventura County Assessors. An objective was to invite them to participate in a SCAG consortium designed to provide a more long-term solution to the acquisition, storage and dissemination of parcel data. This data repository will permit SCAG member jurisdictions, SCAG consultants and other regional stakeholders to access parcel data for the six county region. Staff also made a presentation at the Channel Islands Regional Geographic Information System Task Force to brief them on the SCAG parcel repository. The members of the Task Force, made up of Ventura and Santa Barbara public agencies, were invited to provide input and become a member of the SCAG repository.

- 2006 Aerial Photography for Imperial County Developed. Staff has acquired, with consultant assistance, new 1-foot and 2-foot aerial photography for the County of Imperial. The information collected will be used in the development of an updated existing land use database, for mapping applications, and for distribution to all cities and public agencies within the County of Imperial. This information will be distributed at no cost, in accordance with SCAG's strategic goal of being a central source for data about the Southern California region.
- New SCAG Travel Simulation Model. The Year 2003 Model calibration and validation has been completed. Staff is using the new model to prepare a series of model runs (2003 Base Year, 2030 Baseline, 2030 Plan as adopted in 2004) for analyses related to the 2007 Air Quality Management Plan and the 2007 Regional Transportation Plan. Staff is also documenting the new modeling process and producing a Year 2003 Model Validation & Summary Report. Preparations are underway for the New Model to be presented at a reconvened expert peer review panel scheduled for May 1-2, 2007.

VII. Legislative and Communication Programs

- SCAG Federal Consensus Trip. I am pleased to report on another successful SCAG consensus trip to Washington, DC to deliver a unified message on goods movement issues including dedicated funding, innovative financing and federal match for our recently-passed state bond dollars. We had productive meetings with several key transportation officials including Rick Capka, Administrator, FHWA; Tyler Duval, Assistant Secretary for Policy, USDOT; Congressman John Mica (R-FL), Congressman Roy Blunt (R-MO), and Congressman Artur Davis (D-AL). We also met with key committee staff and representatives of our delegates' offices. Our staff also visited every office of the Southern California delegation and Speaker Pelosi's office to distribute our Consensus printed materials and SCAG's Legislative Program.

Elected officials participating in the consensus trip were: Yvonne B. Burke, Los Angeles County Supervisor and SCAG President; Harry Baldwin, San Gabriel Mayor; Art Brown, Buena Park City Councilmember; Larry McCallon, Highland Mayor Pro Tem; Jeff Stone, Riverside County Supervisor; Ron Roberts, Temecula City Councilmember; Robin Lowe, Hemet City Councilmember; Judy Dunlap, Inglewood City Councilmember; and Bonnie Lowenthal, Long Beach Vice Mayor, and Supervisor Gary Ovitt, San Bernardino County. In addition, Sharon Neely, Alameda Corridor East Construction Authority; Jim Preusch, Alameda Corridor Transportation Authority; Chad Molnar, staff for Los Angeles City Councilmember Bill Rosendahl; John Standiford and Aaron Hake of the Riverside County Transportation Commission, Jennifer Franco of SANBAG, staff to various elected officials and SCAG staff attended this trip.

- State Legislation. SB 12, SCAG's Regional Housing Needs Assessment (RHNA) Pilot Program legislation continues rapid progress through the legislative process. The bill passed the State Senate on February 5th with a 38-1 vote, and passed the Assembly on March 29th with a 57-6 vote. SB 12 is currently in the Governor's office awaiting his signature.

AB 169, SCAG's Tribal Governments bill is expected to be heard in the Assembly Committee on Local Government on May 2. SCAG has initiated meetings with the Governor's Office of Planning and Research to address the Governor's concerns and arrive at mutually acceptable language.